

**Draft Summary of the Engineering and Operations Work Group Meeting
Oroville Facilities Relicensing (FERC Project No. 2100)
May 25, 2001**

The Department of Water Resources (DWR) hosted the Engineering and Operations Work Group on May 25, 2001 in Oroville.

A summary of the discussion, decisions made, and action items is provided below. This summary is not intended to be a transcript, analysis of the meeting, or to indicate agreement or disagreement with any of the items summarized, except where expressly stated. The intent is to present a summary of the discussion for information purposes for interested parties who could not attend the meeting.

Introduction

Attendees were welcomed to the Engineering and Operations Work Group meeting. The meeting objectives were discussed. The meeting agenda, list of meeting attendees and their affiliations are appended to this summary as Attachments 1 and 2, respectively. Flip Chart notes are included as Attachment 3.

State Water Project Economics

Rick Ramirez of DWR gave a presentation on State Water Project Economics. Rick stated DWR's mission is, "To manage the water resources in California in cooperation with other agencies to benefit the State's people and to protect, restore, and enhance the natural and human environments." DWR's responsibilities include planning, designing, constructing, operating and maintaining the SWP, and other water resources in the state. He noted that DWR's oversight responsibilities for the SWP represent about 85% of the work DWR performs annually.

Rick explained that SWP cost allocation and repayment is cost based. All costs of building and operating the SWP are allocated among project purposes and beneficiaries. State Water Contractors repay with interest, about 94% of the SWP construction cost. The more distant State Water Contractors in southern California pay higher transportation costs than in northern and central California.

Rick explained that the SWP consumes more energy than it produces. However, through purchases and sales agreements, DWR meets its deficits by purchasing off-peak power and selling on-peak generation. DWR schedules SWP operations to minimize pumping costs and maximize generation sales; i.e. it pumps at night when energy costs are low and generates during the day when energy costs are higher.

The Engineering and Operations Work Group discussed power exchange arrangements that DWR has with Southern California Edison. The Work Group suggested a simple graphic be developed for the public showing power and water costs in northern and southern California. The group was informed that Rick's presentation is currently posted on the relicensing web site as an attachment to the May 1 Plenary Group meeting summary and would also be attached to the summary for this meeting. A copy of the presentation is included as Attachment 4.

Action Items – April 26, 2001 Engineering and Operations Work Group Meeting

A summary of the April 26, 2001 Engineering and Operations Work Group meeting is posted on the relicensing web site. The Facilitator reviewed the status of action items from the April 26, 2001 Engineering and Operations Work Group meeting as follows:

- Action Item #EO10:** Provide a brief explanation of power operations related to power generation and pumping requirements for State Water Project facilities.
Status: Plenary Group presentation repeated at this Work Group meeting.
- Action Item #EO11:** Make Sure FERC's latest review of the project is in the project library (Part 12)
Status: DWR is still gathering information on the Part 12 review and will report back to the Engineering and Operations Work Group at the June meeting.
- Action Item #EO14:** DWR Staff to make presentation on flood management program.
Status: Presentation is scheduled for the June Engineering and Operations Work Group meeting.
- Action Item #EO15:** DWR staff to make presentation on Power Economics that was previously presented to the Plenary Group on May 1, 2001
Status: Incorporated into Action Item #EO10.
- Action Item #EO16:** Consulting team to develop and distribute draft Issue Sheets for Work Group review and comment.
Status: Completed on May 19, 2001
- Action Item #EO17:** Provide a graphic model of water supply and power generating capabilities within California, including information relative to where water and power from Northern California are delivered.
Status: DWR is reviewing existing information and will report back to the Engineering and Operations Work Group at the June meeting.
Craig Jones of the SWC added that the California Energy Commission has a good map showing statewide energy on their web site, though he doubted it included hydropower. He added that the SWP accounts for only 8% of total water deliveries in the State and about 15 to 20 percent of the urban water delivered in the State.

Review and Revise Issue Statements and Issue Sheets

At the last Engineering and Operations Work Group meeting, the consulting team was tasked with revising Issue Statements based on Work Group input from their last meeting. The Engineering and Operations Work Group received a copy of the revised Issue Statements including the Engineering and Operations Issues Matrix. Each Issue Statement includes a reference to the original issue developed during previous Work Group, Plenary Group and public meetings. The revised Issue Statements list is appended to this summary as Attachment 5.

The Work Group discussed the formatting of each Issue Statement and the inconsistency in presentation of Issue Statements between the various Work Groups. Some Issue Statements are posed as questions; others start with the word "Evaluate". Several Work Group members mentioned that some of the Issue Statements might be better characterized as resource goals, or potential study topics. The group agreed that the terminology associated with the Issue Sheets and Scoping Document needs to be clear and used by each Work Group consistently. The Work Group agreed to let the Plenary Group settle any formatting inconsistencies between Issue Statements for the Scoping Document.

The Engineering and Operations Work Group discussed each Issue Statement and agreed to forward the Issue Statements as recommendations to the Plenary Group for inclusion in Scoping Document 1.

Issue Sheet Development

The Engineering and Operations Work Group received for review draft Preliminary Issue Sheets developed by the consulting team. The Facilitator provided a brief overview of the elements of an Issue Sheet and how Issue Sheet development fits with other Work Group activities (Scoping

Document preparation, and Study Plan development). She emphasized that the Issue Sheets are working documents for the Work Group to use while crafting Study Plans. The more clearly the Issue Sheets reflect the Work Group's collective intent with regard to each Issue Statement, the more precise and focused the Study Plans can be. The Preliminary Issue Sheets distributed included draft descriptions of geographic scope, resource goals, existing information, information needed and level of analysis for each Issue Statement. Draft Issue Sheets are appended to the summary as Attachment 6.

- The Engineering and Operations Work Group discussed what constituted a resource goal and the definition of Level of Analysis, and how they related to the Issue Statements. Participants suggested the lack of consistent formatting among the Issue Statements makes it somewhat difficult to differentiate between a resource goal and an Issue Statement. Wayne Dyok from the consulting team explained that a resource goal is a statement of what someone wants to get from the resource (e.g. improved camping at the lake). He added that Level of Analysis is a general description of how extensive studies should be to collect the information needed to make a decision.
- The Engineering and Operations Work Group held a lengthy discussion regarding project scope and the appropriate area of analysis for each Issue Statement. Ken Kules of MWD urged the group to draw a clear nexus between the issue being studied and project operations.
- DWR agreed to revise and distribute the draft Issue Sheets including changes from this meeting to the Engineering and Operations Work Group for review and comment. The Work Group agreed to provide their comments and recommended changes to DWR by June 15, 2001.

Next Meeting

Lori Brown of DWR asked that the Engineering and Operations Work Group set their meeting dates several months in advance and if possible, for the rest of the year. The group discussed several possible changes to their meeting dates and considered dates submitted by Don Marquez of Kern County Water Agency. The Engineering and Operations Work Group agreed to schedule its next meeting:

Date: Monday, June 25, 2001
Time: 9:30 a.m. to 3:00 p.m.
Location: Oroville Field Division

The Engineering and Operations Work Group agreed to set the following meeting dates through January 2002:

Friday, July 27, 2001
Friday, August 24, 2001
Friday, September 28, 2001
Friday, October 26, 2001
Friday, November 30, 2001
No December Meeting
Friday, January 25, 2001

Agreements Made

1. The Engineering and Operations Work Group agreed to forward the Issue Statements as recommendations to the Plenary Group for inclusion in Scoping Document 1.
2. The Engineering and Operations Work Group agreed to review revised Issue Sheets and provide comments to DWR by June 15, 2001.
3. The Engineering and Operations Work Group agreed to the following meeting dates: June, 25, 2001, July 27, 2001, August, 24, 2001, September 28, 2001, October 26, 2001, November 30, 2001, January 25, 2001. The Work Group agreed not to meet in December.
4. The Engineering and Operations Work Group agreed to meet again on June 25, 2001 from 9:30 a.m. to 3 p.m., at the Oroville Field Division.

Homework

Review revised draft Issue Sheets and provide comments to DWR by June 15, 2001

Action Items

The following list of action items identified by the Engineering and Operations Work Group includes a description of the action, the participant responsible for the action, and due date.

Action Item #EO18: Prepare a simple graph showing differences between power and water costs in the north vs. the south part of the state.

Responsible: DWR staff

Due Date: June 25, 2001

Action Item #EO19: Revise Issue Sheets for distribution to the Engineering and Operations Work Group.

Responsible: DWR staff

Due Date: June 7, 2001

Action Item #EO20: Review Issue Sheets and be prepared to discuss at June Engineering and Operations Work Group meeting.

Responsible: Work Group

Due Date: June 25, 2001